

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1424
Economic Matters

(Delegate Fraser-Hidalgo)

Alcoholic Beverages - Issuance of Class A Licenses

This bill increases to four the number of Class A alcoholic beverages licenses that may be issued to an individual in the State for specified purposes. The bill limits to one the number of Class A licenses that may be issued for the use of an establishment that derives less than 85% of revenue from the sale of alcoholic beverages. Additionally, the bill clarifies that generally no more than one license may be issued in a single jurisdiction to any individual or for the use of specified entities. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: The bill is not anticipated to materially affect State finances or operations.

Local Effect: Local licensing revenues may increase beginning in FY 2025 to the extent additional Class A alcoholic beverages licenses are issued. In jurisdictions where the maximum number of authorized licenses have already been issued, local licensing revenues are not affected. Local expenditures are not materially affected.

Small Business Effect: Potential meaningful. To the extent small businesses are able to obtain additional alcoholic beverages licenses, additional sales and profits may be realized. However, other businesses may be negatively affected if they lose sales to new licensees.

Analysis

Current Law: Except as otherwise provided, no more than one license may be issued in any county or Baltimore City to any person or for the use of any partnership, corporation, unincorporated association, or limited liability company in Baltimore City or any county.

A single individual may hold Class B beer, wine, and liquor licenses or Class BLX or equivalent licenses issued by different local licensing boards only for restaurants, hotels, or motels. The number of licenses that a single individual may hold is limited only by the cap imposed by each local licensing board on the licenses that the local licensing board issues. The licenses may be issued for the use of (1) the license holder or (2) partnership, a corporation, an unincorporated association, or a limited liability company.

Except as otherwise provided, no more than one Class A, Class C, or Class D alcoholic beverages license may be issued to any individual in Maryland for the use of (1) that individual in this State or (2) any partnership, corporation, unincorporated association, or limited liability company in this State.

Local Fiscal Effect: Local licensing revenues may increase beginning in fiscal 2025 to the extent additional Class A alcoholic beverages licenses are issued. The amount of the increase depends on the number of licenses issued. In jurisdictions where the maximum number of authorized licenses have already been issued, local licensing revenues are not affected.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Cross File: None.

Information Source(s): Baltimore and Frederick counties; Alcohol, Tobacco, and Cannabis Commission; Department of Legislative Services

Fiscal Note History: First Reader - February 15, 2024
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Analysis by: Donavan A. Ham

Direct Inquiries to:
(410) 946-5510
(301) 970-5510